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BLUE RIBBON COMMITTEE MEETING MINUTES

Thursday– July 31, 2008

I. CALL TO ORDER/ROLL CALL

Chairperson Jose Millan called the meeting to order at 8:33 a.m. Present were: Jose Millan, Anne Quick, Carl Goff, Dina Kimble, Patrick McGinn, and Leo Garcia. A quorum was met.

II. REVIEW/APPROVAL of the May 1, 2008 and June 10, 2008 Minutes

A motion to approve the minutes was made. The minutes were moved by Commissioner McGinn and seconded by Commissioner Kimble.

III. Chairperson Millan opened the meeting to continue deliberations on the possible expansion of apprenticeship opportunities through the possible placement of apprentices on non-public work construction projects. He mentioned that due to the lack of consensus the committee could not make a recommendation to the Apprenticeship Council unless there is another proposal.

- Carrie Bushman, Cook Brown LLP, on behalf of CAAAT, stated that it is her understanding that at the last meeting there were concerns that were raised about the proposal that was originally submitted to change the way that wage rates are established on private works jobs. One concern was of the use of the OES. Statistics were dated to come up with a wage rate. The second was a question of whether or not there is even a need to make a change to the way that wages are formulated on private works jobs. She stated that in an effort to reach consensus or compromise on the first issue, she submitted, for consideration to the committee, an amended proposal which simply gets rid of the OES figures. It simply changes from 40 to 35 the percentage of the total journeyman wage package to be paid to apprentices in their first period in an apprenticeship program and it would change from 80 to 70 the percentage of the total journeyman wage package to be paid to apprentices in their final period. She believes that these rates more accurately reflect what the market will support on private works jobs than the current rates and would absolutely lead to more apprentices being employed on private works jobs. As to the need of whether or not to do anything like this, several contractors will come forward to voice their personal experience on the current wage rates as private works jobs are impeding and reducing their ability to use apprentices on private works jobs, even though they are committed to training and they want to use apprentices on these jobs, they cannot competitively bid for private jobs using apprentice labor as things currently stand. She continued to express the need to change the way the wages are currently established to enable contractors to use apprentices and competitively bid and obtain public works projects. Ms. Bushman asked the committee to consider the proposal for adoption.

- The meeting continued with lengthy discussions for and against the amended proposal of the Rules and Regulations Labor Code, Section 208. It was asked of Ms. Bushman if the proposed change would still keep the 5% raises. Ms. Bushman responded that they would be in equal increments and changes the percentages because of the start and the end proposed changes.
- A few contractors expressed their personal experiences before and after the adoption of the Rules and Regulations Labor Code, Section 208. Richard Markuson, Western Electrical Contractors Association gave an overview of how the new proposal came about. It was stated to Mr. Markuson that the changes would work for electricians but not for Roofers about 35 % is as journeyman's scale. Mr. Markuson did say that it is a challenge to cover all the different crafts, but in putting the proposal together they only took the electricians into consideration.
- Comments continued to be expressed and it was suggested that the issue would not be taken care of at this meeting and to schedule another meeting before the next CAC.
- Robert Fried stated that his comments were as Robert Fried; as a person. He stated that you can find that there are areas of public works activities that are not as yet open to apprentices regardless of debates over the precise wages and there are areas in markets for all programs that are not as yet open to training of apprentices. He felt that one of the causes may be the current wage structure. In his second comment he stated that there are apprentice opportunities on non public works construction projects, including, but not limited to non public works commercial and construction projects that are not being filled by the current structure. He stated that if you take these two original proposals and reframe them in this way, he feels that regardless of the solution that is reached, there is a critical problem that has to be solved.
- Chairman Millan asked Mr. Fried to name a few of the areas in public works that are not yet open to apprentices. Mr. Fried stated that there appears to be a market where you have non-union and union that are involved in apprenticeship training, competing against a grey market. He continued to state that these people need to perhaps have their wages raised, to increase the competition; the ultimate goal is that no contractor in California is working on any project without utilizing apprentices regardless of whose program they are coming from.
- Many other comments from the public were made and the time began to run into the next meeting and Chairman Millan closed comments.
- A motion was made by Commissioner Kimble, seconded by Commissioner Garcia to have this proposal made available, read, studied by the Blue Ribbon Committee and to meet again prior to the next CAC meeting in October and to decide on what action to take on the proposal and then make the recommendation to the CAC at the next meeting and have the interim meeting held in a State Building or a neutral facility. The Motion carried.

IV. Acting Chief, Glen Forman will make the arrangements for the meeting location and ensure the public is notified through the DAS website.

V. Adjournment

The meeting was adjourned by Chairman Millan at 10:10 a.m.